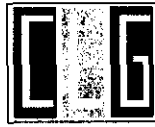


NEW APPLICATION
ORIGINAL



0000105378

The CommLaw Group

HELEIN & MARASHLIAN, LLC
1420 Spring Hill Road
Suite 205
McLean, Virginia 22102

Telephone: (703) 714-1300
Facsimile: (703) 714-1330
E-mail: mail@CommLawGroup.com
Website: www.CommLawGroup.com

Writer's Direct Dial Number
703-714-1319

Writer's E-mail Address
mpd@commlawgroup.com

November 16, 2009

Via Overnight Courier

T-20710A-09-0530

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

**Re: Grasshopper Group, LLC
Application and Petition for Certificate of Convenience and
Necessity to Provide Intrastate Telecommunications Services**

Ladies and Gentlemen:

On behalf of Grasshopper Group, LLC ("Grasshopper"), transmitted herewith are an original plus thirteen (13) copies of its Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services.

Grasshopper respectfully requests confidential treatment of certain financial documents to be provided in connection with its Application – specifically Attachments D and F. Please note that these financial documents will be submitted upon execution of a protective agreement.

An additional copy of this transmittal letter is also enclosed, to be date-stamped and returned in the postage prepaid envelope provided.

Should there be any questions regarding this matter, kindly contact the undersigned.

Arizona Corporation Commission
DOCKETED
NOV 17 2009

DOCKETED BY
Enclosures nr

Respectfully submitted,

Michael P. Donahue
Regulatory Counsel

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: Interexchange

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- ☒ Resold Long Distance Telecommunications Services (Answer Sections A, B).
- ☐ Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- ☐ Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- ☐ Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- ☐ Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- ☐ Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
(800) 820-8210 – Telephone
(866) 466-1618 – Facsimile
Web Address: www.grasshopper.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

N/A

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Dominic Schiavone, Vice President of Operations
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
(800) 820-8210 x724- Telephone
(866) 466-1618 - Facsimile
Email: dschiavone@grasshopper.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Michael P. Donahue, Esq.
Helein & Marashlian, LLC
The CommLaw Group
1420 Spring Hill Road
Suite 205
McLean, Virginia 22102
(703) 714-1319 - Telephone
(703) 714-1330 - Facsimile
Email: mpd@commlawgroup.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Dominic Schiavone, Vice President of Operations
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
(800) 820-8210 x724- Telephone
(866) 466-1618 - Facsimile
Email: dschiavone@grasshopper.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

☐

Sole proprietorship

☐

Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign

X Limited Liability Company: _____ Arizona, X Foreign

☐

Corporation: _____ "S", _____ "C", _____ Non-profit

☐

Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

See Attachment A.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

See Attachment B.

(A-10) Indicate the geographic market to be served:

- ☒ Statewide. (Applicant adopts statewide map of Arizona provided with this application).
- ☐ Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Neither Applicant nor any of its officers or directors have been or are currently involved in any formal or informal complaint proceedings before any state or federal commission, administrative agency or law enforcement agency.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

Neither Applicant nor any of its officers or directors have been or are currently involved in any such investigations.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

☐

Yes

☒

No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

X

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

X No

If "No", continue to question (A-15).

☐

For Local Exchange Resellers, a \$25,000 bond will be recommended.

☐

Yes

☐

No

If "No", continue to question (A-15).

☐

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

☐

Yes

☐

No

If "No", continue to question (A-15).

☐

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

☐

Yes

☐

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

Grasshopper does not collect any deposits (see Tariff Original Sheet No. 12, Section 2.6). Therefore there is no financial risk to Arizona consumers. In addition, all payments are collected via credit card payment. So, in the event of a dispute, AZ consumers may simply charge back the disputed amount to their credit card company, thereby eliminating any financial risk to AZ consumers in the event of a disputed charge.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

See Attachment C.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

X Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells. Applicant resells the services of Level 3 Communications, LLC, Zone Telecom and Network Billing Systems.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Applicant has been granted authority by the Federal Communications Commission pursuant to Section 214 of the Communications Act of 1934, as amended, to provide interstate domestic and international telecommunications services. Applicant is presently authorized to provide interexchange telecommunications services in the states of Colorado, Michigan, New Jersey, Texas, Utah, and Virginia. The company presently has pending or expects to file in the near future authority to provide long distance telecommunications services in the states of California, Connecticut, Florida, Georgia, Illinois, Maryland, North Carolina, New York, Ohio, and Washington.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

As noted above, Applicant is authorized to provide, and does provide, interstate and international long distance telecommunications services; furthermore, Applicant currently offers telecommunications services similar to those Applicant will or intends to offer in Arizona, in the states of Colorado, Michigan, New Jersey, Texas, Utah, and Virginia.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

N/A

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

☒ Decision # 64178 Resold Long Distance

☐ Decision # 64178 Resold LEC

☐ Decision # 64178 Facilities Based Long Distance

☐ Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

X Yes

☐

No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

See Attachment D. Applicant respectfully requests confidential treatment of its financial statements and will provide such information upon execution of a protective agreement.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

N/A

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See Attachment F. Applicant respectfully requests confidential treatment of this information and will provide such information upon execution of a protective agreement.

The projected revenue and expense data provided in Attachment F includes both regulated and unregulated services.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐

Yes

☐

No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

N/A

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐ Yes ☐ No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

N/A

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

☐ Yes ☐ No

N/A

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

☐ Yes ☐ No

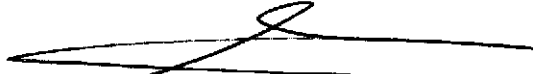
N/A

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

☐ Yes ☐ No

N/A

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



(Signature of Authorized Representative)

11/12/09
(Date)

Siamak Taghaddos

(Print Name of Authorized Representative)

Co-Founder and Chief Executive Officer
(Title)

SUBSCRIBED AND SWORN to before me this 12 day of November, 2009



NOTARY PUBLIC

My Commission Expires
Darren Rosebrugh
Notary Public
My Commission Expires
November 20, 2009

ATTACHMENT A

**CERTIFICATE OF GOOD STANDING
MANAGERS/MEMBER INFORMATION
AND OWNERSHIP INFORMATION**

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****GRASSHOPPER GROUP, LLC*****

a foreign limited liability company organized under the laws of the jurisdiction of Massachusetts did obtain a Certificate of Registration in Arizona on the 28th day of September 2009.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 26th Day of October, 2009, A. D.





Executive Director

By: _____ 406305

Grasshopper Group, LLC

Managers/Members

Managers:

Siamak Taghaddos, Chief Executive Officer
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

David Hauser, Chief Technology Officer
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

Dominic Schiavone Vice President of Operations
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

Members:

Siamak Taghaddos, Chief Executive Officer
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

David Hauser, Chief Technology Officer
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

Mohammed Taghaddos
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

Grasshopper Group, LLC

Ownership Information

Siamak Taghaddos
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
Percentage of Ownership: 33.33%

David Hauser
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
Percentage of Ownership: 33.33%

Mohammed Taghaddos
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
Percentage of Ownership: 33.33%

ATTACHMENT B
PROPOSED TARIFF

Tariff Page Number References

	<u>Page(s)</u>
Proposed Rates and Charges for Each Service Offered	Sheet No. 19
Tariff Maximum Rates and Prices To be Charged	Sheet No. 19
Terms and Conditions Applicable to The Provision of Service	Sheet No. 8 to Sheet No. 16
Deposits, Advances and/or Prepayments Applicable to the Provision of Service	Sheet No. 12
Proposed Return Check Fee	Not applicable.

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Grasshopper Group, LLC, with principal offices at 197 1st Avenue, Suite 200, Needham, Massachusetts 02494. This tariff applies to services furnished within Arizona. This tariff is on file with the Arizona Public Corporation Commission, where copies may be inspected during normal business hours.

Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

The name, address and telephone numbers for the officer of Grasshopper Group, LLC who is responsible for providing information with respect to the operating procedures of the Company is as follows:

Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
800-820-8210

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

Pages 1 through 19 inclusive of this tariff are effective as of the date shown at the bottom of the respective page(s). Original and revised pages as named below comprise all changes from the original tariff and are currently in effect as of the date at the bottom of this page.

PAGE	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original

ISSUED:**EFFECTIVE:**

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

TABLE OF CONTENTS

	<u>Page</u>
TITLE SHEET	1
CHECK SHEETS	2
TABLE OF CONTENTS.....	3
SYMBOLS.....	5
TARIFF FORMAT	6
SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS.....	7
SECTION 2 - RULES AND REGULATIONS	8
SECTION 3 - DESCRIPTION OF SERVICES	17
SECTION 4 - RATES.....	19

ISSUED: EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (D) - Deleted rate or regulation
- (I) - Increase in rate
- (M) - Moved to/from another tariff location
- (N) - New rate or regulation
- (R) - Reduction in rate
- (T) - Change in text only

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the A.C.C. For example, 4th Revised Page 14 cancels the 3rd Revised Page 14. Because of various suspension periods, deferrals, etc. the A.C.C. follows in its tariff approval process, the most current page number on file with the A.C.C. is not always the tariff page in effect. Consult the Check Sheet for the page currently in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(l).

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT (Cont'd)

- D. Check Sheets - When a tariff filing is made with the A.C.C., an updated check sheet accompanies the tariff filing. The check sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the A.C.C.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - A telephone line provided by local exchange carriers which connect a telephone or other communications device at a customer's location to Grasshopper Group, LLC's underlying carrier's telecommunications network switching center(s).

Carrier or Company - Grasshopper Group, LLC

Customer - The person, firm, corporation, end user, or other entity which orders or uses services and is responsible for the payment of charges.

A.C.C. - Arizona Corporation Commission.

Rate Center - The Points of Presence (POPs) or first point of interconnection of local exchange facilities providing access to the long distance network of the Company's Underlying Carrier and the point from which a customer's traffic is rated and billed.

Service Agreement - Company's standard form for the ordering and acceptance of a customer's request for and commitment to take Company's service offerings pursuant to this tariff.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic within Arizona.

Holidays - New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving and Christmas Day.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Company

The Company's services and facilities are furnished for communications at specified points within the State of Arizona under terms of this tariff.

The Company operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. The Customer is responsible for ordering access connection facilities provided by other carriers or entities to allow connection of a Customer's location to the Company's services. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of the facilities of Company's Underlying Carrier and the provisions of this tariff.

2.2.2 Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, including without limitation, for Customer non-payment of charges; or when the Customer's use of a service becomes or is in violation of the law or the provisions of this tariff.

2.2.3 The services provided under this tariff are subject to the direct and exclusive control of the Company. No one may alter or affect the Services nor transfer or assign its use of the Services without the express written consent of the Company, which consent may be withheld, without limitation, by Company in its sole discretion at any time such alteration, effect, transfer or assignment would result in an interruption of the services or a change in the Customer's location to which the services are to be provided.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.2 Limitations (Cont'd)

2.2.4 In the event prior written permission from Company is given for any assignment or transfer, all regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.3 Liabilities of the Company

2.3.1 Limitation of Liability: In no event shall the company, its parents, subsidiaries, affiliates or their respective members, managers, directors, officers, employees, stockholder, or agents be liable for any damages, including but not limited to direct, compensatory, indirect, incidental, consequential, special, exemplary or punitive damages (including, without limitation, damages for loss of profits, business interruption, loss of information) for: (1) any injuries to persons or property arising from use of the services, or any equipment used in connection with the services; (2) Customer's inability to use the services; (3) Customer's misuse of the service; (4) nonperformance or a failure of the services caused by acts or omissions of another service provider; (5) equipment or software failure or modification; (6) telecommunications or computer equipment failures, or (7) acts of God or other causes beyond the Company's control. The foregoing shall even if the Company has been advised of the possibility of such damages.

2.3.2 No Warranties: The services provided under this Tariff are provided "as is." The Company makes no warranties regarding the services whatsoever and disclaims any and all express or implied warranties of any kind, including any warranties of merchantability, non-infringement of intellectual property, fitness for a particular purpose, or warranties arising by course of dealing or custom or trade. The Company does not authorize anyone to make a warranty of any kind on the Company's behalf and Customer should not rely on any such statement.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.3 Liabilities of the Company (Cont'd)

2.3.3 The Company's liability arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the aforementioned faults in transmission occur, unless ordered by the Commission.

2.3.4 The Company shall be indemnified and held harmless by the Customer against:

- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's facilities.
- (B) All other claims arising out of any act or omission of the Customer in connection with any service or facility provided by the Company.

2.4 Interruption of Service

2.4.1 Credit allowance for the interruption of service is subject to the general liability provisions set forth in Section 2.3.1 herein. Customer shall receive no credit allowance for interruption of service due to Carrier's testing or adjusting, to negligence of the Customer, or to the failure of channels or equipment provided by the Customer. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is claimed. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.

2.4.2 No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Interruption of Service (Cont'd)

2.4.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of Company or in the event Company is entitled to a credit for the failure of the facilities of Company's Underlying Carrier used to furnish Customer's service.

2.4.4 No credit shall be allowed:

(A) For failure of services or facilities of Customer; or

(B) For failure of services or equipment caused by the negligence or willful acts of Customer.

2.4.5 Credit for an interruption shall commence after Customer notifies Company of the interruption or when Company becomes aware thereof, and ceases when service has been restored.

2.4.6 Before Customer notifies Company of an interruption, Customer shall make reasonable attempts to ascertain that Customer, a third party, or its or their actions and/or equipment is/are not the cause thereof.

2.4.7 Credits are applicable only to that portion of service interrupted.

2.4.8 For purposes of credit computation, every month shall be considered to have 720 hours.

2.4.9 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Interruption of Service (Cont'd)

2.4.10 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.5 Restoration of Service

The use and restoration of service shall be administered by the Underlying Carrier in accordance with the priority system specified in the Rules and Regulations of the Arizona Corporation Commission.

2.6 Deposits

The Company does not require a deposit from its customers.

2.7 Advance Payments

The Company collects initiation fees and monthly recurring charges in advance of the month of usage.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.8 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax and so forth) are listed as separate line items and are not included in the Company's scheduled rates.

2.9 Collections

2.9.1 In the event Company incurs fees or expenses, including attorney's fees, to collect, or to attempt to collect, any charges owed Company by Customer, including charges alleged to have resulted from fraud or abuse of Customer's services, the Company shall charge Customer all such fees and expenses, including Company's reasonable attorneys' fees, incurred to collect or to attempt to collect its charges.

2.9.2 In accordance with the "filed tariff doctrine," as established by judicial and regulatory decisions and precedents, Customer shall pay all charges due and owing irrespective of any claims of loss, liability, set off, damages, or other claims against Company to which Customer may claim to be entitled. The duty to pay such charges shall arise upon the demand for payment by the Company. Customer's duty to pay can only be delayed or deferred by the initiation of a billing dispute by the Customer.

2.9.3 Customer agrees that all actions, suits, or proceedings, to recover charges due under this tariff shall be prosecuted in the Commonwealth of Massachusetts. Customer consents to and submits to the exercise of jurisdiction over the subject matter, waives personal service of any and all process upon it, and consents that all such service of process be made by registered mail directed to Customer at its address registered with Company. Service so made shall be deemed to be completed five business days after such process shall have been deposited in the mail, postage prepaid. Customer waives trial by jury, any objection based on forum non conveniens, any objection to venue or jurisdiction of any action instituted hereunder, and consents to the granting of such legal or equitable relief as deemed appropriate by the Court.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
 Vice President
 Grasshopper Group, LLC
 197 1st Avenue, Suite 200
 Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.10 Employee Concessions

There are no employee concessions.

2.11 Specific Services

The Company does not currently offer any services for which conditions of eligibility apply.

2.12 Billing and Payment

Customer inquiries regarding service or billing may be made in writing or by calling the toll free number listed below:

Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494
(800) 820-8210

Customers who are dissatisfied with the response to their complaint may contact the Arizona Corporation Commission for resolution of the issues at the following address:

Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

2.12.1 Customer is responsible for paying all charges on its account for services provided by the Company, including, but not limited to, long distance, directory assistance charges, regulatory and government fees, and for all taxes and surcharges, including regulatory recovery fees, imposed on the services or the Company as a result of Customer's use of the services. The Company collects any applicable initiation fees and monthly recurring charges automatically in advance of the month of usage. Customer will also be billed for additional minutes used (which exceed the number of calling minutes in the Customer's plan), either in the month following such usage or upon the usage of an additional 1000 minutes, whichever comes first. Usage charges are billed in arrears.

ISSUED:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

EFFECTIVE:

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.12 Billing and Payment (Cont'd)

2.12.2 Any objection to billed charges should be promptly reported to the Company. Notice of any disputes must be in writing and received by the Company within thirty (30) days after the invoice date or the dispute will be waived. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Customer must pay all undisputed amounts in full to avoid late payment charges or default.

2.12.3 Company will charge a late payment charge on any amounts unpaid by the due date of the lesser of: (1) 1.5% per month or 18% per annum or (2) the highest amount allowed by law.

2.12.4 The Company will bill Customer's credit card on the date payment is due or if a Customer exceeds its threshold billing level. If the card fails, the Company will provide notice to the Customer by electronic mail and will attempt to bill the Customer's card as follows:

Due date + 1 day –	The Company will attempt to bill the card, if the card fails, the Company will advise the Customer by electronic mail;
Due date + 6 days –	The Company will attempt to bill the card, if the card fails, the Company will advise the Customer by electronic mail;
Due date +14 days –	The Company will attempt to bill the card, if the card fails, the Company will advise the Customer by electronic mail;
Due date + 21 days -	The Company will attempt to bill the card, if the card fails, the Company will cancel the account and send notice to the Customer via electronic mail.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.13 Disconnection of Service by Carrier

The Company, upon 5 working days written notice to the Customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- 2.13.1 If Customer fails to remit by the due date any sum due to carrier for regulated service.
- 2.13.2 A violation of any regulation governing the service under this tariff.
- 2.13.3 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- 2.13.4 Service may be disconnected without notice for tampering with company equipment, for interfering with the service to other customers, for fraud, or in the event of a hazardous condition.

2.14 Disconnection of Service by Customer

The Customer may terminate service at any time upon one (1) day written notice.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES

3.1 Timing of Services

3.1.1 When Billing Charges Begin and End For Phone Calls

The Customer's usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver (i.e. when 2 way communication, often referred to as "conversation time" is possible.). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The minimum call duration for billing purposes is 18 seconds for a connected call and calls beyond 18 seconds are billed in 6 second increments.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each invoice.

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)**3.2 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA:

The square
root of:
$$\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$$

3.3 Service Offerings**3.3.1 Inbound 800/Toll-Free and Long Distance Service**

Company's Service Plans are offered to business Customers. Each service plan includes at least one toll-free and/or local number, a specified number of minutes of use per month, unlimited extensions and access to all features. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in 6 second increments. A monthly recurring service charge applies. Rates for Company's service plans are set forth in Section 4 of this Tariff.

ISSUED:**EFFECTIVE:**

By: Dominic Schiavone, Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 Inbound 800/Toll-Free and Long Distance Service

Rates listed in this tariff are for in-state calls only.

Bundled Plan (100-100,000 minutes) – Monthly charge \$9.95-\$2000.00

Usage above Plan Allowance – \$0.04 to \$0.09 per minute

Activation Fee – \$25.00 (may be waived for certain plans)

4.2 Payment of Calls

4.2.1 Late Payment Charges

A late payment Charge of the lesser of (1) 1.5% per month or (2) the highest amount allowed by law, will be assessed on all unpaid balances more than thirty days old, except that such late payment charge will not be applied to any previously-applied late payment charges. Late payment charges will be assessed without discrimination.

4.3 Special Promotions

The Company will, from time to time, offer special promotions to its customers waiving certain charges, including activation/set-up fees, reduced overage usage rates, and discounted subscription rates

ISSUED:

EFFECTIVE:

By: Dominic Schiavone
Vice President
Grasshopper Group, LLC
197 1st Avenue, Suite 200
Needham, Massachusetts 02494

ATTACHMENT C

AFFIDAVIT OF PUBLICATION FORM

Applicant's draft Affidavit of Publication follows this page. Applicant will finalize and publish the requisite notice at the direction of the Hearing Division.

**NOTICE OF APPLICATION FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE COMPETITIVE
RESOLD INTEREXCHANGE TELECOMMUNICATIONS
SERVICES BY GRASSHOPPER GROUP, LLC**

Grasshopper Group, LLC ("Applicant") has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold interexchange telecommunications services in the State of Arizona. Applicant will be required to provide this service under the rates and charges and terms and conditions established by the Commission.

A.R.S. § 40-282 provides that the Commission may act on an application for a Certificate to provide resold telecommunications services without a hearing, or with a hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing.

The application, report of the Commission's Utilities Division Staff, and any written exceptions to the Staff report prepared by the Applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona, 85007, and at Grasshopper Group, LLC, 197 1st Avenue, Suite 200, Needham, Massachusetts 02494.

Under appropriate circumstances, interested parties may intervene in the proceedings, and participate as a party. Intervention shall be in accordance with the A.A.C. R 14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to:

The Arizona Corporation Commission
Attention: Docket Control
Re: Grasshopper Group, LLC
Docket No. _____
1200 West Washington Street
Phoenix, Arizona 85007

All Comments should be received within twenty (20) days of the date of this notice. If you have any questions about this application or have any objections to its approval, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona, 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request reasonable accommodations such as sign language interpreter, as well as request this document in an alternative format, by contacting Shelley Hood, ADA Coordinator, voice phone number (602) 542-3931, E-Mail shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

ATTACHMENT D

FINANCIAL INFORMATION

Applicant respectfully requests confidential treatment of its financial statements and will provide such information upon execution of a protective agreement.

ATTACHMENT E

NON-NECESSITY OF PERFORMANCE BOND

Grasshopper Group, LLC ("Grasshopper" or "Applicant") will not collect advances, prepayments or deposits in connection with its proposed long distance service offerings in Arizona. Accordingly, Applicant respectfully submits that grant by the Commission of the authority sought herein without subjecting Grasshopper to Performance Bond requirements would pose no risk to Arizona consumers.

Should Grasshopper determine in the future to collect advances, prepayments or deposits from Arizona consumers, however, it commits to fully comply with the Commission's Performance Bond rules and regulations.

ATTACHMENT F

REVENUE AND EXPENSE PROJECTIONS

Applicant respectfully requests confidential treatment of its financial statements and will provide such information upon execution of a protective agreement.